

I. Describe the State's strategies to identify State laws, regulations, policies that impede successful achievement of workforce development goals and strategies to change or modify them. (§112(b)(2).)

Oregon has a history of identifying barriers and developing strategies to overcome them. The state pioneered the concept of federal waivers under the Oregon Option in the early 1990's, and received approval of the first JTPA waivers under the workforce portion of that concept. In Oregon's experience, barriers are most effectively identified by those entities the closest to service delivery: the local boards, one stops and program operators. The state stands ready to assist local programs to overcome barriers.

Oregon has already begun the process of identifying barriers to integration and service delivery. By focusing on our goals, and not the laws, regulations, and policies that are impediments, the State is moving the workforce system in a direction that provides better service and accessibility to both our business and job seeking customers. With a clear picture of what the state needs at both the state and local levels, Oregon will ask for the necessary waivers, begin the process of modifying state laws and rules, as well as changing our own policies in order to meet our goals. Oregon is involved in a continuous improvement process with its workforce system agencies and partners.

Additionally, as a partner to the workforce system, the Oregon Vocational Rehabilitation Services State Rehabilitation Council, in consultation with the State Workforce Investment Board, evaluates the effectiveness of the vocational rehabilitation program. This is an ideal mechanism for identifying policies that impede successful achievement of workforce development goals and for promoting strategies to change or modify them.

J. Describe how the State will take advantage of the flexibility provisions in WIA for waivers and the option to obtain approval as a workflex State pursuant to § 189(i) and §192.

Oregon has taken advantage of the waiver provisions in the past and will continue to do so as the occasion arises in the future. Waivers are requested as barriers to service delivery or program or administrative efficiency are identified.

Oregon is researching a potential list of waiver possibilities generated from state and local workforce partners. The list includes innovative uses of formula funding, common performance measures, possible ways to serve incumbent workers, and technical provisions of dislocated worker and youth programs. The actual submission of waivers will depend on the final outcome of WIA reauthorization and other program considerations.

Oregon was one of the six original Workflex states under JTPA. In 2000, in the Unified Plan for WIA, Oregon referenced the extension of Workflex for the five years of the plan. We request to continue that designation with this plan in order to maintain flexibility for Oregon's workforce development system.

Request for extension of previous waivers

1. Extension of waiver of period of subsequent eligibility for eligible training providers. Please consider this plan as a request to extend Oregon's waiver of the period of subsequent eligibility for eligible training providers. Oregon has made progress in accessing performance data from training providers, and now has a web-based consumer report card with performance and cost information. However, we continue to struggle with accessing administrative data sources for the "all students" performance measures, and with the applicability of the data we are able to access. Requiring "all students" data reporting at this time will result in providers and programs asking to be removed from the Eligible Training Provider List. We also expect WIA reauthorization to provide states with more flexibility to develop systems of more utility to states' individual situations. We therefore request continued extension of this waiver through the time period covered by this plan.
2. Extension of waiver allowing use of state set aside rapid response funds for statewide activities. Oregon has previously requested extension of our waiver allowing for the use of state set aside rapid response funds for the purposes allowed for statewide activities funds. This extension was requested under separate cover on March 21, 2005 since it was urgent for local areas to know the waiver was going to be in place after June 30, 2005, in order to be able to contract for incumbent worker training projects.



June 9, 2005

Richard Trigg
Regional Administrator
US Department of Labor
Employment and Training Administration
77 Stevenson Street, Suite 830
San Francisco, CA 94105-2920

Dear Mr. Trigg:

Thank you for your letter received May 25, 2005, informing us of the progress of our Statewide Activities waiver extension request. The waiver allows Oregon to use up to 50 percent of the funds reserved for rapid response activities to provide allowable statewide activities. We needed to request the extension of the waiver separately from the state plan because of the urgency in continuing to develop projects at the local level.

Your letter requests additional information describing what was accomplished under the waiver period and why continued flexibility in this regard is needed. The following should answer your questions.

Before the waiver was received, the local Workforce Response Teams (WRT's) had to maintain the two funds separately in their contracts with businesses. Because the rapid response funds could not be used for direct training, we called them "Capacity-Building Funds". These funds could be used for any of the costs associated with the program except training, such as employer needs assessments, curriculum development, consortium building, etc. The statewide activities funds, because they could be used for training (as well as the other activities) we called "Training Funds". Having the two funding streams was confusing, cumbersome and difficult to explain to businesses.

After Oregon received the waiver, the local WRT's had to continue to report the funds separately to the state, but as far as the businesses were concerned, they only had to deal with one kind of funding. Contracts detailed the activities to be undertaken, but not the kind of funding for each. This increased the flexibility and just made more sense to businesses.

Public Service Building

55 Capitol Street NE

Salem, Oregon 97310

Phone (503) 378-8648

Fax (503) 378-3365

www.odccwd.state.or.us

In order to answer your question fully, we decided to ask the regional WRT's directly for additional information in the following areas:

1. The number of projects using the waiver.
2. How the waiver may have increased quality, responsiveness to business, etc.
3. A sense of how the waiver helped – what affect it had on contracting for new projects.
4. Any other information you feel might be helpful.

The answers we received speak more loudly than any summary and they are attached. However, in general, we can say that without the waiver, the Employer Workforce Training Fund, Oregon's incumbent worker training program, would not be nearly as flexible and effective as it is. The waiver allowed local WRT's to:

- Be more responsive to business
- Streamline contracting processes with business
- Explain the program better to business
- Complete contracts and processes more quickly
- Expend the funds more fully
- Respond better to actual business needs
- Be demand driven
- Make sense in explaining the program to the community
- Select projects based on merit rather than on funding particular activities
- Train more incumbent workers
- Respond to a wider list of business needs
- Better meet expected outcomes
- Make the available funds go farther

With the waiver, we estimate that at least one-third more workers were trained by the program. This is based on the anecdotal evidence we have heard from the field. So far, there have been 10,912 workers who are training or have received training in 221 businesses. The latest progress report is attached.

Sincerely,

Cam Preus-Braly
Commissioner

Regional Workforce Response Team

Employer Workforce Training Projects Report

Statistics: 5/12/05

FY 2003-05

Employer Workforce Training Funds have been allocated to 15 workforce regions in the state to identify workforce projects giving the best economic benefit to their regions. Workforce Response Teams identify prospects and grant awards to existing businesses that are expanding or seeking to retain their current workers.

- 221 Total WRT Projects to date have been funded from all 15 Regions
- Approx. 10,912 individuals are to be trained in the projects
- Project trainees range from 1 trainee (in Regions 4 and 11) to 1200 trainees (in Region 1).
- 19 Consortia: Food Processing; Recreation; Healthcare; Other.
- Project Awards range from \$400 (Region 11) to \$200,000 (Region 2)
- 31 Projects in High Performance (Lean) Manufacturing
- 38 Projects in Metals/Transportation
- 42 Projects in Healthcare
- 25 Projects in Wood Products
- 16 Projects in Agriculture/Food Processing
- 17 Projects in High Tech/Software

LOCAL WORKFORCE RESPONSE TEAM RESPONSES – 6/2/05

1. The number of projects using the waiver

Region 1 Of the 16 PY03/PY04 contracts, 10 directly benefit from the waiver. The remainder may receive indirect benefit, as the deadlines draw near.

Region 2 Technically, one.

Region 3 Three contracts were RR Funds only; two contracts were SA Funds only. All remaining contracts used a combination of RR and SA Funds. A waiver COULD have been used for any of these.

Region 6 All nine of R6's projects are using the waiver (5-PY03, 4-PY04)

Region 7 In Region 7 we have used the waiver on 7 of 15 total projects.

[Explanation: In general, those regions who got organized more quickly had projects using the two separate funds, and those who came on line later were able to use the waiver in all their projects.]

2. How the waiver may have increased quality, increased responsiveness to business, etc.

Region 1 As a result of the waiver, the region was able to readily meet local business needs. We were more responsive and more likely to operate at the speed of business. Without the waiver, the process was cumbersome and difficult to understand for the business community. We were able to obligate funding and ensure that resources dedicated to region 1 stayed here.

Region 3 The Waiver allowed us to work with businesses without having to make them experts in the rules and regs governing WIA. In other words, before the waiver, staff spent a lot of time helping businesses understand the differences between the two funding streams and which could be used for what. This meant that companies had to set up two accounts for each project, and track expenditures differently. They were continually asking us what fit into which category because the definitions for the two categories were based on WIA rather than business practices. The waiver allowed companies to focus on implementing training and accounting based on their expenditures, instead of a WIA definition that made little sense to them.

Region 5 The waiver has allowed us to be truly demand-driven in responding to employers needs which can vary depending on changing technologies and the changing economy. We've been able to strike a good balance of training and capacity building projects. Thanks to the flexibility, 827 Lane County employees are receiving training in areas from high performance manufacturing techniques, nursing, industry-specific computer software, wood products machinery and employee development projects.

March 23, 2005

Richard Trigg
Regional Administrator
US Department of Labor
Employment and Training Administration
77 Stevenson Street, Suite 830
San Francisco, CA 94105-2920

Dear Mr. Trigg:

Oregon requested and received a waiver of CFR 665.320(d)(2), for funds reserved for allowable state activities under WIA Sec. 133 (a)(2), up to 50 percent of the state set-aside Rapid Response funds to be used for the purposes of funds reserved under WIA Sec. 128 (a)(2). The purpose of the waiver was to eliminate the barriers created when using two types of funding with different allowable uses to develop projects with business. These barriers include limitations on the numbers to be trained, the difficulty of tying the rapid response funding to training projects, the administrative difficulties of separately tracking the two funding sources and their allowable uses, and the difficulties of making the complexities of the funding transparent to business.

Because the waiver could only be granted for the life of the state plan, the waiver will expire as of June 30, 2005. This letter officially requests an extension of the waiver for the life of the first two years of the new five-year plan, or until June 30, 2007.

We understand that new waivers and extensions of existing waivers may be requested in the submission of the new state plans. That had been our original intent, that we would request an extension at that time. However, the Local Workforce Investment Boards and the local workforce response teams are presently developing projects and contractually obligating funds for projects that will extend beyond June 30 of this year. Many are reluctant to write contracts under the waiver due to uncertainty of having the waiver extended. If we waited until the plan was approved, we would not be able to assure the local partners of extending the waiver until the new program year begins. It is therefore imperative to request the waiver extension now, and to have it approved as soon as possible.

As before, Oregon will continue to carry out all required state level activities; the transfer would be for allowable activities only. The transfer will not diminish the ability of the state or local areas to respond to worker dislocations, nor will it affect local formula allocations for carrying out WIA Title IB adult, youth, and dislocated worker activities.

Thank you for your consideration of this request and please don't hesitate to call if you need additional information to process this waiver request.

Sincerely,

Cam Preus-Braly
Commissioner

C: Betty Lock



**COMMUNITY
COLLEGES AND
WORKFORCE
DEVELOPMENT**
WORKSOURCE OREGON

Public Service

Building

255 Capitol

Street NE

Salem, Oregon

97310

Phone:

(503) 378-8648

Fax:

(503) 378-3365

**www.odccwd.
state.or.us**